

AWD No. 585-457-1, ordering Iran to pay the claimant \$227,556 plus interest for Iran's interference with the claimant's property rights in three buildings in Tehran. The Tribunal dismissed the claimant's claims with regard to other property for lack of proof. The claimant received \$20,000 in arbitration costs.

5. The situation reviewed above continues to implicate important diplomatic, financial, and legal interests of the United States and its nationals and presents an unusual challenge to the national security and foreign policy of the United States. The Iranian Assets Control Regulations issued pursuant to Executive Order 12170 continue to play an important role in structuring our relationship with Iran and in enabling the United States to implement properly the Algiers Accords. I shall continue to exercise the powers at my disposal to deal with these problems and will continue to report periodically to the Congress on significant developments.

WILLIAM J. CLINTON.

THE WHITE HOUSE, May 13, 1998.

□ 2115

MANDATES INFORMATION ACT OF 1998

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Pursuant to House Resolution 426 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3534.

□ 2116

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3534) to improve congressional deliberation on proposed Federal private sector mandates, and for other purposes, with Mr. SESSIONS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from New York (Mr. SOLOMON) and the gentleman from Massachusetts (Mr. MOAKLEY) each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. SOLOMON).

Mr. SOLOMON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in a bit of ecstasy, not only for the passage of the last bill, but to bring to this floor another very important bill on behalf of business and industry and all Americans, and that is H.R. 3534, the Mandates Information Act of 1998. Today, the House will build on the important work that the 104th Congress began in the area of unfunded intergovernmental mandates and private sector mandates.

Mr. Chairman, the House has operated under the strictures of the Un-

funded Mandate Reform Act since January of 1996. It is the opinion of the Committee on Rules that this statute has served the House well and we are prepared to recommend a modest improvement on it today, one that affects not only the public sector, and that means towns and villages and cities and counties and States, but now it affects the private sector.

A report from the Congressional Budget Office last year found, not surprisingly, that the Republican-controlled Congress has not passed unfunded mandates on State and local governments on the private sector. CBO has found in the last 2 years only 11 percent of the bills and amendments they analyzed contained intergovernmental mandates, and just 2 percent contained costs exceeding the \$50 million threshold into the law.

On the private sector side, CBO has found that only 13 percent of the bills and amendments contained private sector mandates and a scant 5 percent contained costs exceeding the \$100 million threshold.

CBO appeared before the Committee on Rules' oversight hearings on the operation of the law, and they testified that the goals of the law providing reliable information for Members and the public, as well as congressional accountability for passing a mandate, have largely been met. In other words, we succeeded in doing what we set out to do.

Under that law, CBO has prepared these estimates for committee reports, and the information on public and private sector mandates has been available for Members when they come to this floor to vote so that they know what the long-range ramifications of casting that vote will be.

In the opinion of the Committee on Rules, the underlying law has served as an effective deterrent for Congress to mandate, because of the point of order available on the House floor.

There have been instances in the Committee on Rules's experience where a mandate on the public or private sector was discovered and the offending language was deleted or altered in a rule in an effort to address the concerns, rather than face an automatic debate on the vote on the floor. In other words, Congress has paid attention and they have not brought these unfunded mandates to the floor knowing they are going to have to face this test.

The law has worked in a manner impossible to quantify in these instances, Mr. Chairman.

At the close of the 104th Congress, the Committee on Rules was pleased to report to the House in its activity report that in the first year of existence of the unfunded mandate law, it could find no single instance in which it had waived the unfunded mandates point of order, not once. There were several instances in which the committee waived all points of order, but in those cases the committee was not aware of any

CBO estimate of an unfunded mandate in the underlying legislation.

In fact, in several prominent instances, such as the immigration reform bill, the committee waived all points of order except those arising under the unfunded mandate statute.

Mr. Chairman, the Committee on Rules has an excellent track record of adherence to the principles of the unfunded mandates law in this 105th Congress as well. The experience of the House with the Nuclear Waste Policy Act is illustrative of the fact that the Committee on Rules prefers not to waive the mandates point of order, but rather prefers to force the committees of jurisdiction to defend their work product on the floor of this House and then let the House work its will.

With 2 years of positive experience with the unfunded mandates procedure in the public sector as our foundation, the Committee on Rules is compelled to recommend H.R. 3534 to the House as an improvement to our proceedings.

Under current law, CBO is only required to estimate the direct costs of all Federal private sector mandates that exceed \$100 million, and the amount of Federal financial assistance, if any, provided by the legislation to assist with the compliance costs.

The bill before the House amends the Unfunded Mandates Reform Act to require committee reports on bills or joint resolutions to include a statement from CBO estimating the impact of private sector mandates on consumers, on workers, on small businesses, including any disproportionate impact in particular regions or on particular industries within those regions. It would subject such legislation to a point of order if it is not feasible for the CBO to prepare such an estimate, as well.

Current law only allows a point of order against consideration of a bill, joint resolution or amendment, motion or conference report if it exceeds \$50 million in direct costs in Federal mandates on intergovernmental (State and local governments), unless that mandate is paid for with new Federal financial assistance. This bill would prohibit the consideration of the legislation containing private sector mandates whose direct costs exceed \$100 million and thereby expand the available points of order under the landmark law.

The bill further constrains the Chair from recognizing more than one point of order with respect to private sector mandates for any one bill, joint resolution, amendment, motion or conference report. It is anticipated that one point of order, one 20-minute debate, and one vote is sufficient to encapsulate the debate on the private sector mandates contained in any one legislative measure.

The bill also contains a provision during the markup of the Committee on Rules as an amendment by our friend, the vice chairman of the committee, the gentleman from California

(Mr. DREIER) which excludes from the private sector mandates point of order any legislation which results in a net tax cut.

For purposes of illustration, if the Committee on Ways and Means reported a bill which resulted in a net tax cut as scored by CBO and the Joint Committee on Taxation, a private sector mandates point of order would not apply because the net tax would be a decrease as opposed to an increase.

However, if the Committee on Ways and Means reported a bill which increased mandatory spending and, in turn, provided a revenue offset which resulted in a private sector mandate over \$100 million, a private sector mandate point of order would then clearly be in order.

The bill further amends clause 5 of House rule XXIII to always make in order motions to strike an unfunded mandate on the intergovernmental and private sector side unless specifically waived by a rule from the Committee on Rules.

Mr. Chairman, it is important for small businesses across the country to know that Congress is fully aware of the consequences when it mandates on the private sector. This bill will help us improve our own deliberations in this House while maintaining important institutional prerogatives.

The bill before us is strongly supported by, and let me just read some of these organizations: the American Dental Association; the American Farm Bureau, which is very, very important in my district; the American Rental Association; the American Subcontractors Association; the Associated Builders and Contractors; Citizens For a Sound Economy; the National Association of Self-Employed, small businesses; the National Association of Manufacturers; the National Association of Wholesale Distributors; the National Federation of Independent Business, which is the largest organization of small businesses in this entire country; the National Restaurant Association; the National Retail Federation, and it goes on and on and on, ending up with the United States Chamber of Commerce in strong support of this bill.

Mr. Chairman, I do not have to tell my colleagues that years ago, before I came to this Congress, I was a small businessman and I started out from scratch. I had 5 children, and we did not have any money really, but we went into business and we started that business, and I had to work sometimes 2 or 3 different businesses, and the banks did not want to lend any money because we did not have established credit, and yet whatever available cash we had was tied up in all of these duplicative regulations that are piled on local businesses throughout this country, and it was almost impossible to get started.

This legislation is meant to prevent that. It is meant to educate every Member of Congress to know exactly

what he is voting for on this floor and how it affects that small business back in one's district before one casts that vote. That is how important this legislation is.

So I would urge support for the bill. Mr. Chairman, I reserve the balance of my time.

Mr. Chairman, I ask unanimous consent that the gentleman from California (Mr. DREIER) be permitted to take over the management of this legislation.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MOAKLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to make something very, very clear. I am opposed to unfunded Federal mandates. I represent 23 cities and towns in the Commonwealth of Massachusetts that are paying for the biggest Federal mandate this government has ever imposed: the cleanup of Boston Harbor. In the end, the Boston Harbor cleanup cost well over \$3 billion; only 19 percent of that \$3 billion was paid for by the Federal Government. The rest of the costs had to be borne by the citizens of those 43 cities and towns in the Commonwealth, families and businesses, and believe me, it was not easy.

I know how hard it can be for communities to shoulder the cost of complying with governmental edicts, and I firmly believe we should keep those costs in mind when passing any kind of legislation. Before we pass a bill, we should know what the costs would be for businesses. We should know what the costs would be for individuals, as well as for the State and local governments. But, Mr. Chairman, this bill is not the way to do it. This bill contains language that will further gut the well-intentioned, unfunded mandates bill.

□ 2130

It further erodes the idea that any mandate could be harmful by accepting bills that raise taxes, as long as the money raised is used to lower taxes somewhere else.

Contrary to what some of my colleagues may think, all government spending is not necessarily bad, and all tax breaks are not necessarily good. Under this bill, if a tax on coal revenues is coupled with a tax break on ethanol, it is okay. If it spends the money on miners' health benefits, someone can raise a point of order and someone can call attention to it.

Mr. Chairman, I do not believe we should decide in advance which types of mandates are good and should be ignored and which are bad and should be exposed to a point of order. Either we should request all of them, or we should examine none of them.

I urge my colleagues to defeat the bill in the present form, if the Dreier language is not removed. It just takes a worthwhile idea and pollutes it with political assumptions.

Mr. Chairman, I reserve the balance of my time.

Mr. DREIER. Mr. Chairman, I am happy to yield 3 minutes to my good friend, the gentleman from Sugarland, Texas (Mr. DELAY), the distinguished Republican Whip.

Mr. DELAY. Mr. Chairman, I appreciate the gentleman yielding time to me, and I appreciate all his hard work on this very important legislation. I rise today in support of it, and I really urge my colleagues it take a look at this legislation, and I hope they will vote for it.

This is a small but yet a very significant step for small business. Basically, it says if we are going to put mandates on the private sector, we need to let the American people know that we are doing it. That is all it is. This is the same principle that we have used for the last 3 years for the mandates we put on State and local government. If we are going to make the businessmen and women of America pay for our good ideas, we should make certain that we have a debate on the floor about the merits of those ideas.

This bill allows Members to raise a point of order against any bill that the Congressional Budget Office determines would cost the private sector more than \$100 million a year. If after 20 minutes of debate the House decides that such a mandate is necessary, we can vote to consider the rest of the bill.

I just think this is a commonsense piece of legislation, because it makes Members of Congress think about what they are voting for before they vote. It makes them think about the costs to the private sector. It makes them think about the potential job loss. It makes them think about the role of government in our society. It brings much needed transparency to our government.

This is a very important piece of legislation that forces the House to understand what they are doing to the real people in the real world. I urge my colleagues to support this pro-small business piece of legislation.

Mr. MOAKLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I agree with the gentleman who just left the microphone. If this were the same bill that we had in the Committee on Rules just before the Dreier amendment was put in, I would buy it. But this, what it says, in effect, is that if you get money in the highway bill, you cannot spend it on roads, you cannot spend it on safety if it is over and above, but if you give a tax break back to the very rich, then the point of order does not apply.

That is the part that I do not like, it is what we do when it is an unfunded mandate, what we do with the money. The proceeds from the tobacco bill cannot be used to educate children to stop smoking, but if we want to give it back to the tobacco companies and people who invest in tobacco as a tax break, that is fine.

If that is fair, Mr. Chairman, if that is equitable, then I have missed something along the line.

Mr. Chairman, I yield such time as he may consume to my good friend, the gentleman from California (Mr. CONDIT).

(Mr. CONDIT asked and was given permission to revise and extend his remarks.)

Mr. CONDIT. Mr. Chairman, I rise tonight obviously in support of H.R. 3534, the Mandate Information Act of 1998. This is not a new idea, it is an old idea with a little different twist. It still requires accountability and openness.

The chairman of the Committee on Rules explained the bill very well, talked about the \$100 million threshold, the fact that if you reach a \$100 unfunded mandate that there is a point of order process. That is basically what this bill does, it allows us to have a debate.

As we hear discussion about this tonight and tomorrow, Members are going to hear that this unfunded mandate bill will set us back, that it will destroy some of the things that we have done, say in the workplace, safety in the workplace, et cetera.

That is not true. This bill does not turn anything back. It simply requires us to be accountable and responsible for the unfunded mandates we place on the private sector. That is what this bill does. It requires us to have an open debate. We cannot take away the mandate with that debate. We still have a vote after we call the point of order.

What this simply does, it is a very simple idea, it just gives us more information that Members can make an informed decision about a mandate on the private sector.

With that, Mr. Chairman, I want to thank the gentleman from Ohio (Mr. PORTMAN), who is the cosponsor and has been the lead person on the other side of the aisle in this area for unfunded mandates, not only in the private sector but for State and local government. I want to thank him for all the work that he has done.

I want to also say tonight we will hear two proposals, two amendments to this bill. I support those amendments. The gentleman from Virginia (Mr. MORAN) and the gentleman from Virginia (Mr. DAVIS) will have an amendment, and the gentleman from Ohio (Mr. TRAFICANT) will have an amendment. I encourage us to accept those amendments. I think they improve the bill.

This bill is about information, about the Members getting more information. It is about openness, about fairness and accountability, and Members should not let anyone tell them any different. We ought to look at the amendments that are going to come up. They may improve the bill. We ought not to be fearful to support those amendments if they improve the bill.

But this is a simple idea. If we cannot pass this simple idea to hold ourselves accountable, to hold ourselves

accountable for the mandates we place on the private sector; that we cannot say, we voted for that, and we voted for that with full information, that we knew what the cost was going to be, then we are going to have a difficult time doing any kind of reforms in this House, Mr. Chairman.

Mr. DREIER. Mr. Chairman, I yield 6 minutes to my friend and hallmate, the gentleman from Cincinnati, Ohio (Mr. PORTMAN), the lead author of this measure who has worked long and hard on not only this issue, but the unfunded mandates that were imposed on State and local governments.

Mr. PORTMAN. Mr. Chairman, I thank the gentleman from California (Mr. DREIER) for yielding time to me, and for all his help in getting us to this point. I also want to commend the gentleman from California (Mr. GARY CONDIT), who has been my partner on this and also on the private sector mandates fight.

Mr. Chairman, this is really legislation that builds on what we did 3 years ago, in 1995 in the public sector side. Let me try to put it in some context. The gentleman from New York (Chairman SOLOMON) has already mentioned this.

Three years ago we said we were going to stop public sector mandates. We passed legislation which required that three things be done: number one, there be a cost analysis done of every new public sector mandate; number two, there be a debate on the floor that any Member of Congress could insist on by a process called a point of order; and number three, there would be a vote, an actual vote by a majority of this House.

By a simple majority we could decide to go ahead with the legislation, notwithstanding the mandate. But at least we would then have a clear understanding of what the costs were, all the information that we did not have previously. In the end we would come up with better legislation.

It has actually worked to curtail these public sector mandates. I think 394 Members of this Congress voted for that bill, after a lot of controversial amendments were offered. In the end I think we convinced most people, and they were right, it has worked. This simply builds on that. This says, now let us shift to the private sector.

In the last legislation, again, the 1995 legislation, we were able to get into the legislation that the Congressional Budget Office, which does the analysis on the public sector side, would also analyze the private sector mandates, if they exceeded a threshold which was twice the public sector threshold, \$100 million rather than \$50 million.

What we were not able to get in the last legislation 3 years ago was the ability to come to this floor and to raise that point of order, to actually put some teeth in that analysis, and to enable Members of Congress to take a careful look at those costs and then decide whether they wanted to move for-

ward with the legislation, notwithstanding those costs.

We are taking that next important step tonight. We did not do it last time, frankly, because this was a pretty controversial idea. It was precedent-setting. It turns out it worked, and now we are doing what I think is the next logical thing, which is to move to the private sector side.

It is not going to stop all mandates, just as our public sector bill in 1995 did not stop all public sector mandates. It has curtailed them. Incidentally, it has not curtailed them just because we have had these debates on the floor. It has been done in a very responsible way, at the committee level, because the committees have been forced to work with State and local government to come up with new ways to get things through this Congress that in fact do represent the will of this Congress, but to not send an unfunded requirement down on our State and local governments. That is what this would do also, this legislation, if we can get it passed tonight and get it enacted into law.

There are a lot of debates that are going to take place over the next couple of hours tonight and then tomorrow on various amendments and on various interpretations of the bill. My good friend, the gentleman from Massachusetts (Mr. MOAKLEY) a little while ago made the statement, and I tried to write it down as he said it, I may have gotten it wrong, correct me, he said that proceeds from the tobacco bill cannot be used to help children if this passes.

Of course, that is not true. Proceeds from the tobacco bill, if we do a tobacco bill, if it has a tobacco tax in it, can certainly be used for whatever purpose this Congress thinks they should be used for. By a simple majority vote this Congress will decide whether in fact a new mandate, if it is a tobacco tax, it is a new mandate, whether that should indeed be something we want to do. What is wrong with that? What is wrong with a little openness and accountability around here?

So I know we are going to have a lot of debates. The gentleman from Massachusetts (Mr. MOAKLEY) is going to make some very legitimate points about the impact of this legislation on various areas of our government, particularly labor, environment, and so on. His particular concern, I think, is going to be on the so-called Dreier amendment, which was accepted in the Committee on Rules.

I want to be very clear about this. All it says is that we have a debate on it. If in the end, because there is a tobacco tax that is not offset by tax cuts somewhere else or tax relief somewhere else, therefore, this legislation goes into effect, all we are saying is we are going to have a debate on the merits of this and then vote.

The point is a very simple one. All we are saying is that we want the opportunity, just as we have in the public sector, to begin to legislate with better

information, and therefore, to legislate more wisely in this place.

With regard to the tobacco example, I will just say, if this Congress in fact looks at the tobacco bill that has a tax increase, it is considered a mandate, one Member of Congress can raise his or her hand, force a point of order on it, and then by a simple majority we can determine whether that is the appropriate thing to do. That does not stop it, that simply forces us to be more accountable.

I want to thank the gentleman from California (Mr. GARY CONDIT) again, I want to thank the Committee on Rules for working with us, the gentleman from Massachusetts (Mr. MOAKLEY), the gentleman from Massachusetts (Chairman SOLOMON), the gentleman from California (Mr. DAVID DREIER), to perfect this legislation over the last few months.

It is very important legislation. That is why it is supported by so many groups around the country. It will help consumers, it will help particularly small businesses, and it will help to create more jobs in this country. I want to thank again the Committee on Rules for allowing us to get this to the floor, because they have a lot on their agenda.

Mr. MOAKLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to commend the gentleman for his outstanding explanation. He is completely right, there would be a point of order raised on that tax bill. But if they allocated that money to a tax break, there would not be a point of order. It is only if they wanted to spend it to educate the smokers, or if they wanted to spend it on stopping kids from smoking, that is when the mandate would kick in. But if somebody allocated that money as a tax break, there would be no point of order the against the mandate.

Mr. PORTMAN. Mr. Chairman, will the gentleman yield?

Mr. MOAKLEY. I yield to the gentleman from Ohio.

Mr. PORTMAN. Mr. Chairman, maybe we should back up a second to explain what the amendment is. The gentleman from California (Mr. DREIER) is here, who is going to explain it later, I am sure. But in this legislation there is one provision that came out of the Committee on Rules which says that in the case of tax legislation that is on the floor of the House, where there is a net tax decrease, in other words, where there is tax relief, that the point of order would not apply.

Why? One, taxes are different than requirements.

Mr. MOAKLEY. Mr. Chairman, if the gentleman would stop right there, that is what I am talking about. If there was some money there and they decided, the majority party decided to give that back in a tax break, rather than educate smokers, there would be no violation of the unfunded mandate. I would ask the gentleman, am I correct?

Mr. PORTMAN. If the gentleman will continue to yield, Mr. Chairman, the single point of order which is able to be raised under this legislation, which is the consolidation of whatever private sector mandates are there, would not be able to be raised in a case where there was not a tax increase, because there is not a tax increase. So that is the one exception to this bill, where it would be raised.

In the gentleman's case, I would say to the gentleman from Massachusetts (Mr. MOAKLEY) that this will in every other case apply, this legislation. In the case that the gentleman has brought forward, which is the case where that tax increase would be used to fund government programs, there would be a point of order to be raised.

□ 2145

But it would simply be a simple majority. If the Dreier legislation were not part of this legislation, the same thing would happen. In other words, all the Dreier amendment does is it takes the cases where there is no tax increase and says, we shall not apply this point of order which can be overridden by simple majority vote.

I do not now how the Dreier amendment affects your example one way or the other. In any case, there would be a point of order on the scenario that you have laid out.

Mr. MOAKLEY. We can debate this when my amendment comes up. I thank the gentleman for his explanation.

Mr. Chairman, I yield 3 minutes to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Chairman, in 1992-1993, I introduced unfunded mandates legislation. This was during the time when the Democratic Party was in the majority. I could not get it out of the Government Operations Committee. My friend and colleague from California, I am sure, recalls that he also had unfunded mandates legislation which suffered the same fate. Then when the Republican majority took over the Congress, it, of course, became the first legislation to be enacted.

At that time, when that bill was debated, I had an amendment. That amendment was designed to correct an oversight which was that it did not include private sector mandates. It only applied to public sector mandates. It did not get included because the House leadership did not give its stamp of approval at that time, and it was not part of the Republican contract on America. So it did not get the votes necessary for adoption.

The legislation that we are considering today does just what that amendment was designed to do. It is the same amendment. That is why I support this rule and this bill because it does correct something that was left unfinished when we passed the original unfunded mandates legislation.

My original legislation actually only required that if it is an unfunded man-

date, that you come up with the actual cost that is being passed on to States and localities and the private sector. The gentleman from California (Mr. CONDIT) went further and required a point of order, which is ultimately what got legislated.

There is one other aspect, though, of the unfunded mandates issue which pertains to a public sector mandate, and that affects particularly the Medicaid program. We will address that when the Davis-Moran amendment is raised, and I know that that will have the full support of this body as well.

Again, this is a bill that will correct what was unfinished the last time we had unfunded mandates legislation, and I think that the rule and the bill will undoubtedly get passed overwhelmingly.

I thank the gentleman for yielding me the time.

Mr. DREIER. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut (Mrs. JOHNSON), a very able member of the Committee on Ways and Means.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I rise in support of this bill but particularly to converse with my colleague, the gentleman from Massachusetts (Mr. MOAKLEY), on the issue of his concern about tax reductions.

The goal of this bill is to put in place a far more accountable process in regard to government's mandating of expenses on other levels of government, which we did in the past, and now in the private sector. It comes from very deep bipartisan concern with government's rather casual attitude toward the costs of the legislation that it is passing and the way those costs tend to be borne by others than themselves in society.

When we cut taxes, on the other hand, when we give a tax break, we are essentially talking about how we use our own resources, so we are mandating a cost on ourselves and we are paying for it by foregoing revenues that we would otherwise collect. So I do not think that the issue is the same when we forgo revenue through a tax break as the underlying issue that this mandates bill seeks to address.

If we choose to spend our revenues by collecting them and then appropriating them, that is one thing. If we choose to spend our revenues by, in a sense, granting a tax exemption, that is also our right. But that is a separate issue from the issue that this bill addresses, which is making us accountable and making visible the costs that will follow from the responsibilities that we are imposing on our society.

Mr. MOAKLEY. Mr. Chairman, will the gentlewoman yield?

Mrs. JOHNSON of Connecticut. I yield to the gentleman from Massachusetts.

Mr. MOAKLEY. Mr. Chairman, say for instance the gentlewoman is a corporation. She gets taxed. Then someone raises a point of order and someone says, well, we will give it back as a tax relief.

The CHAIRMAN. The time of the gentlewoman from Connecticut (Mrs. JOHNSON) has expired.

Mr. MOAKLEY. Mr. Chairman, I yield myself such time as I may consume.

So we say, well, instead of putting it into the company, we are going to give a tax break to other people. The company still pays that tax. It is a way of taxing people.

Mrs. JOHNSON of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. MOAKLEY. I yield to the gentlewoman from Connecticut.

Mrs. JOHNSON of Connecticut. Mr. Chairman, the company does not have the right to give a tax break. The company must pay the taxes that we require them to pay.

Mr. MOAKLEY. Mr. Chairman, the mandate is the same, whether they get taxed to build roads or they give it back as a tax break, that company we are trying to protect is still getting the same tax.

Mrs. JOHNSON of Connecticut. Mr. Chairman, if the gentleman will continue to yield, they are still getting taxed exactly the same. The goal of this bill is to make evident the costs we are imposing on the society, whether it is on another level of government or a private sector entity or an individual, the costs that we are imposing on them to carry out a public benefit. And I think all the vote on the House floor does, when the point of order is raised, is to make clear that I agree that this level of cost for a small businesses is worth it for our society to achieve a certain common goal. That is accountability.

Mr. MOAKLEY. The small businessperson still gets taxed.

Mrs. JOHNSON of Connecticut. Absolutely.

Mr. MOAKLEY. But the reason for this mandate is to stop this spending to take place, stop penalizing small companies. But if we say, we are going to tax them and then someone says, well, a point of order, and then someone says, we will give it back as a tax break, that company is still paying the tax even though that is going back as a tax break rather than going into the industry it is supposed to police.

Mr. DREIER. Mr. Chairman, I yield 3 minutes to the gentleman from Fairfax, Virginia (Mr. DAVIS), author of a very important amendment which we intend to accept.

Mr. DAVIS of Virginia. Mr. Chairman, I will address my amendment a little later. Let me say, taxes are pretty straight forward, put a tax on business or people, and unfunded mandates are hidden taxes.

The purpose of this is to let the public know and Members recognize when they are putting these mandates, unfunded mandates, that have the effect of being hidden taxes on companies just as we have done on local governments. Unfunded mandates over the last decade drove up the cost of local governments by the tens of billions of dollars.

Congress passed the Unfunded Mandate Reform Act in 1995, because Congress for too long prior to that had been passing the bills and then passing the buck on to the localities who would then have to either raise local taxes. And generally these were property taxes, sales taxes, much more regressive taxes than the Federal income tax, or, in some cases, if they were financially strapped, these unfunded mandates, in driving up the cost of local government, they would have to substitute Washington's priorities for their own priorities.

We felt that was wrong and, as a Congress, by overwhelming majorities 2 years ago, 3 years ago were able to pass unfunded mandates reform. And only 5 times in the last Congress, 5 times were objections, points of order even raised on the House floor. At least in two of those cases, we proceeded, after voting to overrule the point, not to sustain the point of order.

This bill takes unfunded mandate reform to the next level, as the gentleman from Virginia (Mr. MORAN) just talked about, something we would have liked to have done 3 years ago, but some Members thought it was too ambitious or even too radical. Now that we have had some experience dealing with State and local governments, I think we are more comfortable. Unfunded mandates, though, to America's businesses often lead to higher prices for American consumers, and they will now be subject to points of order if the cost to American businesses are over \$100 million.

Remember, American businesses are now engaged in a global economy. We are competing against Japanese companies, German companies, Mexican companies, Chinese companies. If Congress wants to add additional mandates on American businesses, often these mandates will not apply to these foreign businesses as they manufacture goods. That has the effect of raising America's businesses' costs, of making them less competitive, leading to job losses or, in many cases, driving jobs offshore. That has the net effect of unfunded mandates on American businesses.

There may be times and there may be circumstances and there may be priorities where we as a Congress decide it is important to do this because of what we are trying to accomplish. But this at least allows Members to not only recognize what those costs are, but to have an affirmative vote ongoing and moving forward with this cost. This is an important step for America's businesses, something that has been addressed widely by a number of business organizations and, I might also add, by State and local government organizations.

Finally, let me just note, Congress does not lose any flexibility to enact any of these mandates, but we will have the information before us. We will have to act in an affirmative manner, recognizing that we are imposing basi-

cally a hidden tax or an unfunded mandate on these businesses.

I am proud to be here tonight and support my friend in this legislation and hope the House will act favorably on it. I will address my amendment during the amendment period.

Mr. DREIER. Mr. Chairman, may I inquire of the Chair how much time remains for general debate on each side?

The CHAIRMAN. The gentleman from California (Mr. DREIER) has 9 minutes remaining, and the gentleman from Massachusetts (Mr. MOAKLEY) has 17½ minutes remaining.

Mr. DREIER. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa (Mr. GANSKE).

Mr. GANSKE. Mr. Chairman, I thank the gentleman for yielding me the time.

I only wish that a number of Members and colleagues were watching this debate. I think this is an important bill. By definition, points of order stifle debate. The reason a Member raises a point of order is to short-circuit debate on a bill or amendment. That is why I oppose this bill. No one ever raises a point of order to extend debate.

Yes, the point of order created by H.R. 3534 would prompt 20 minutes of debate, 10 on each side. But the reason for the point of order is to prevent the much greater debate that would otherwise occur.

Let us take the example of the Saxton-Boehlert substitute to the Clean Water Act. A point of order against the amendment would have granted 20 minutes of debate, but without that point of order, we had a day and a half of debate, a full debate that would not be able to occur under this bill.

There are lots of other examples. Proponents argue in effect that a point of order would not limit debate if it were defeated. But surely proponents are not working for this bill on the assumption that points of order would never prevail. What the bill does is skew the discussion by requiring an official objective estimate of costs but no similar information on benefits. If Members truly believe that benefits can never be quantified, then it is curious that Congress would have spent so much time pushing for cost-benefit analysis.

However, my main objection to H.R. 3534 is the point of order, not the additional cost analysis called for in the bill. It is just that the way the bill dismisses benefits is a sign that it is designed to help only one side in the debate, not to provide balance.

Can anyone think of a bill that has gone through Congress in which the costs on the private sector were not debated?

The impact of H.R. 3534, whatever its sponsors' intent, is not to ensure that industry's view is heard but, rather, that it has a greater chance of prevailing. Even more importantly, however, the primary threat of 3534 is not the point of order once the bill reaches the

floor. The problem is that the availability of a point of order will make it harder to affect the bills before they come to the floor because committees will want to avoid points of order. This will prevent many amendments from getting a full hearing.

If proponents believe that general debate allows enough time for any Member disagreeing with industry to get his point across, why is that not true for industry's proponents as well? Why does industry need a point of order to bolster its side in an argument? Think of the existing laws that H.R. 3534 would have made more difficult to negotiate and to pass, including the Clean Water Act and the Clean Air Act. Think of the pending legislation before Congress this year. I am talking about tobacco. I am talking about a patient Bill of Rights. This bill will place roadblocks in front of that legislation.

□ 2200

I do not believe that Congress should pass mandates on industry without full discussion. I do not object to Congress having full and fair information, like the CBO scoring of private mandates already required by current law. I do object to a bill whose only possible impact is to shortcircuit any debate on any bill or amendment that industry might oppose.

Mr. PORTMAN. Mr. Chairman, will the gentleman yield?

Mr. GANSKE. I yield to the gentleman from Ohio.

Mr. PORTMAN. Mr. Chairman, there are a number of things the gentleman said that seem inconsistent to me. The gentleman just said a moment ago that he was happy to support something that forces us to understand what the costs are to new legislation on the private sector, and then the gentleman said but he would not want a point of order.

Let me be clear. This point of order is not the kind of point of order that we would normally have where we simply come to the floor, raise a point of order, and that stops the legislation if it is approved. This permits a debate precisely for the reason the gentleman stated earlier. We get 10 minutes on each side to be able to debate the question as to whether we should proceed on the legislation. The precise question the gentleman is raising.

The argument that some Members will make, which might include the gentleman on environmental legislation, from the way I am hearing what he is saying, would be we need a full debate on this question.

Mr. GANSKE. Reclaiming my time, Mr. Chairman, the point is this: That a point of order brought on this would allow only 20 minutes of debate, 10 minutes per side, on a complicated issue that really should not be limited by that time limit.

I am fine with the analysis. I have voted for that in the past. It is the point of order that I think tilts the side too much to one side to prevent

legislation from being fully debated. And that is why I have to oppose this amendment or this bill.

Mr. PORTMAN. Mr. Chairman, if the gentleman will continue to yield, let me just make the point that what we do here, I guess the gentleman and I have a different view of this place. The gentleman's sense, as I have tried to write down what he said, is there has never been legislation around here where the costs have not been fully debated. I do not know that there is any legislation, including the banking bill we just passed, where we ever understand what the full costs are, whether it is to the public sector or the private sector.

Maybe the gentleman's staff reads all the legislation and gives him a cost breakdown, but mine certainly does not, and I do not know that that is true of any other Member. What we need is to have some debate on the cost, because the rest of the debate is always about the benefits.

Mr. DREIER. Mr. Chairman, I yield 1 minute to the gentleman from Ohio (Mr. PORTMAN).

Mr. PORTMAN. Mr. Chairman, when legislation is debated on the floor of the House, the legislation is debated because someone has a good idea. It is a great sounding idea.

We talk a lot about the benefits, and we do it continually. What we do not talk about is the cost to the private sector and to the public sector. This simply permits the Congress to focus on that issue and then determine in its will by a simple majority vote whether to proceed with the legislation or not.

So this is good government. It is accountability that will get at exactly what the gentleman earlier stated was his objective, which was to be fully informed about the cost of the legislation.

Mr. GANSKE. Mr. Chairman, will the gentleman yield?

Mr. PORTMAN. I yield to the gentleman from Iowa.

Mr. GANSKE. I appreciate the intent of this legislation, but I think the effect, because of the time limits on a point of order, would be to limit debate on a lot of bills.

Mr. MOAKLEY. Mr. Chairman, I yield myself such time as I may consume to congratulate the prior speaker on his analysis and I agree with him. I think he did a wonderful job.

Mr. DREIER. Mr. Chairman, I yield myself such time as I may consume to say that I thought that my friend agreed with the bill, with the exception of the Dreier amendment that was in here.

Mr. MOAKLEY. Mr. Chairman, I yield myself such time as I may consume to suggest to the gentleman from California if he would just take the Dreier amendment out, we can wrap it up tonight.

Mr. DREIER. Mr. Chairman, I yield myself such time as I may consume to point out that the gentleman from Iowa, with whom the gentleman from

Massachusetts has just agreed, was actually disagreeing with the whole thrust of the legislation.

Mr. MOAKLEY. Mr. Chairman, I yield myself such time as I may consume to respond that I believe the gentleman said that the other side of the aisle does not give enough time, and I agree with him. Twenty minutes is not enough time on this.

Mr. CONDIT. Mr. Chairman, I rise today in support of H.R. 3534, the Mandates Information Act of 1998. I want to thank the Rules Committee Chairman and Vice-Chairman for bringing this bill to the floor under an open rule and for their commitment to pass this legislation.

This bill is a new version of an old idea, which will yield the same results—accountability and openness. This bill is similar to H.R. 1010, the Mandates Information Act of 1997, which I introduced on March 11, 1997. These bills were introduced as a follow-up to the successes we have had with the Unfunded Mandate Reform Act.

As you are aware, the Unfunded Mandate Relief Act required the Congressional Budget Office to estimate the cost of unfunded mandates a bill would place on both local governments and the private sector. These cost estimates are required to be included in the committee's report which accompanies a bill reported to the House.

The law also established a point of order procedure for bills imposing a mandate on local governments in excess of \$50 million. The Mandates Information Act of 1998 will establish a similar point of order procedure for bills containing an unfunded mandate on the private sector in excess of \$100 million.

The Mandates Information Act of 1998 has been modified to address the concerns raised by the House Rules committee that the point of order procedure would be used as a delaying tactic and could impede the legislative process. The new version of the Mandates Information Act would allow Members of Congress to raise a single point of order against a bill or amendment containing a mandate in excess of \$100 million. It is important to note that this bill would not affect a Member's ability to raise a separate point of order if the Congressional Budget Office failed to adequately estimate the impacts of a private sector mandate. Nor does H.R. 3534 prevent Members from raising multiple points of order against a bill containing intergovernmental mandates.

Tonight we will hear arguments that this bill is an assault on the environment, health and worker safety. Mr. Chairman, nothing could be further from the truth. H.R. 3534 cannot be used to block important environmental health and safety regulations. H.R. 3534 is simply a way to guarantee an accurate and informed debate on the costs of proposed mandates.

Mr. Chairman, I urge my colleagues to support information and accountability by supporting the Mandates Act of 1998.

Mr. CANNON. Mr. Chairman, I am pleased to rise today in support of H.R. 3534.

Just as this great body voted in 1995 to release state and local governments from the stranglehold of unfunded federal mandates, we must vote today to free our private sector as well.

Our booming economy thrives on the ability of our private sector to continue flourishing.

We must ensure that government does not impede this development.

I have received letters in support of this legislation from all groups involved in our growing economy: consumers, taxpayers, farmers, and small businesses.

I would like to emphasize that this latter group, in particular, succeeds or suffers in direct proportion to the increased government mandates placed on it. Federal mandates discourage development of small businesses and start-ups, the most valuable, yet most vulnerable engine furthering growth and job creation in our economy.

We have voted time and time again over these past few years to lessen the government burdens on this sector.

This legislation represents the next logical step in making this body more cognizant of the impact of our actions on our developing economy.

Mr. MOAKLEY. Mr. Chairman, I yield back the balance of my time.

Mr. DREIER. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment printed in the bill is adopted and the bill, as amended, is considered as an original bill for further amendment and is considered read.

The text of H.R. 3534, as amended by the amendment recommended by the Committee on Rules, is as follows:

H.R. 3534

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Mandates Information Act of 1998".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) Before acting on proposed private sector mandates, the Congress should carefully consider the effects on consumers, workers, and small businesses.

(2) The Congress has often acted without adequate information concerning the costs of private sector mandates, instead focusing only on the benefits.

(3) The costs of private sector mandates are often borne in part by consumers, in the form of higher prices and reduced availability of goods and services.

(4) The costs of private sector mandates are often borne in part by workers, in the form of lower wages, reduced benefits, and fewer job opportunities.

(5) The costs of private sector mandates are often borne in part by small businesses, in the form of hiring disincentives and stunted growth.

SEC. 3. PURPOSES.

The purposes of this Act are the following:

(1) To improve the quality of the Congress' deliberation with respect to proposed mandates on the private sector, by—

(A) providing the Congress with more complete information about the effects of such mandates; and

(B) ensuring that the Congress acts on such mandates only after focused deliberation on the effects.

(2) To enhance the ability of the Congress to distinguish between private sector mandates that harm consumers, workers, and small businesses, and mandates that help those groups.

SEC. 4. FEDERAL PRIVATE SECTOR MANDATES.

(a) IN GENERAL.—

(1) ESTIMATES.—Section 424(b)(2) of the Congressional Budget Act of 1974 (2 U.S.C. 658c(b)(2)) is amended—

(A) in subparagraph (A) by striking "and" after the semicolon; and

(B) by redesignating subparagraph (B) as subparagraph (C), and inserting after subparagraph (A) the following:

"(B) when applicable, the impact (including any disproportionate impact in particular regions or industries) on consumers, workers, and small businesses, of the Federal private sector mandates in the bill or joint resolution, including—

"(i) an analysis of the effect of the Federal private sector mandates in the bill or joint resolution on consumer prices and on the actual supply of goods and services in consumer markets;

"(ii) an analysis of the effect of the Federal private sector mandates in the bill or joint resolution on worker wages, worker benefits, and employment opportunities; and

"(iii) an analysis of the effect of the Federal private sector mandates in the bill or joint resolution on the hiring practices, expansion, and profitability of businesses with 100 or fewer employees; and".

(2) POINT OF ORDER.—Section 424(b)(3) of the Congressional Budget Act of 1974 (2 U.S.C. 658c(b)(3)) is amended by adding after the period "If such determination is made by the Director, a point of order under this part shall lie only under section 425(a)(1) and as if the requirement of section 425(a)(1) had not been met.".

(3) THRESHOLD AMOUNTS.—Section 425(a) of the Congressional Budget Act of 1974 (2 U.S.C. 658d(a)) is amended by—

(A) striking "and" after the semicolon at the end of paragraph (1) and redesignating paragraph (2) as paragraph (3); and

(B) inserting after paragraph (1) the following new paragraph:

"(2) any bill, joint resolution, amendment, motion, or conference report that would increase the direct costs of Federal private sector mandates (excluding any direct costs that are attributable to revenue resulting from tax or tariff provisions of any such measure if it does not raise net tax and tariff revenues over the 5-fiscal-year period beginning with the first fiscal year such measure affects such revenues) by an amount that causes the thresholds specified in section 424(b)(1) to be exceeded; and".

(4) APPLICATION RELATING TO APPROPRIATIONS COMMITTEES.—(A) Section 425(c)(1)(A) of the Congressional Budget Act of 1974 (2 U.S.C. 658d(c)(1)(A)) is amended by striking "except".

(B) Section 425(c)(1)(B) of the Congressional Budget Act of 1974 (2 U.S.C. 658d(c)(1)(B)) is amended—

(i) in clause (i) by striking "intergovernmental";

(ii) in clause (ii) by striking "intergovernmental";

(iii) in clause (iii) by striking "intergovernmental"; and

(iv) in clause (iv) by striking "intergovernmental".

(5) THRESHOLD BURDEN.—(A) Section 426(b)(2) of the Congressional Budget Act of 1974 (2 U.S.C. 658e(b)(2)) is amended by inserting "legislative" before "language".

(B) Section 426(b)(2) of the Congressional Budget Act of 1974 (2 U.S.C. 658e(b)(2)) is amended by striking "section 425 or subsection (a) of this section" and inserting "part B".

(6) QUESTION OF CONSIDERATION.—(A) Section 426(b)(3) of the Congressional Budget Act of 1974 (2 U.S.C. 658e(b)(3)) is amended by striking "section 425 or subsection (a) of this section" and inserting "part B".

(B) Section 426(b)(3) of the Congressional Budget Act of 1974 (2 U.S.C. 658e(b)(3)) is

amended by inserting ", except that not more than one point of order shall be recognized by the Chair under section 425(a)(1) or (a)(2)" before the period.

(7) APPLICATION RELATING TO CONGRESSIONAL BUDGET OFFICE.—Section 427 of the Congressional Budget Act of 1974 (2 U.S.C. 658f) is amended by striking "intergovernmental".

(b) RULES OF THE HOUSE OF REPRESENTATIVES.—Clause 5(c) of rule XXIII of the Rules of the House of Representatives is amended by striking "intergovernmental" and by striking "section 424(a)(1)" and inserting "section 424 (a)(1) or (b)(1)".

(c) EXERCISE OF RULEMAKING POWERS.—This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such it shall be considered as part of the rules of such House, respectively, and shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of each House.

The CHAIRMAN. During consideration of the bill for amendment, the Chair may accord priority in recognition to a Member offering an amendment that he has printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered read.

The chairman of the Committee of the Whole may postpone a demand for a recorded vote on any amendment and may reduce to a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 15 minutes.

Are there any amendments to the bill?

AMENDMENT NO. 1 OFFERED BY MR. DAVIS OF VIRGINIA

Mr. DAVIS of Virginia. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by the gentleman from Virginia (Mr. DAVIS):

Page 8, after line 11, add the following new section:

SEC. 5. FEDERAL INTERGOVERNMENTAL MANDATE.

Section 421(5)(B) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 658(5)(B)) is amended—

(1) by striking "the provision" after "if";

(2) in clause (i)(I) by inserting "the provision" before "would";

(3) in clause (i)(II) by inserting "the provision" before "would"; and

(4) in clause (ii)—

(A) by inserting "that legislation, statute, or regulation does not provide" before "the State"; and

(B) by striking "lack" and inserting "new or expanded".

Mr. DAVIS of Virginia. Mr. Chairman, I rise to offer an amendment to H.R. 3534, the Unfunded Mandates Information Act of 1998.

Mr. Chairman, my amendment would simply serve as a clarification of the

Unfunded Mandates Reform Act, of which I was a primary sponsor in the 104th Congress. This amendment is necessary due to the Congressional Budget Office's interpretation of an important provision of the Unfunded Mandates Reform Act in a way that is inconsistent with the intent of Congress. The CBO interpretation has a significant impact on the States.

The definition of "Federal Intergovernmental Mandate" as drafted under the Unfunded Mandates Reform Act was specifically intended to include Medicaid and other large entitlement programs and efforts to impose new Medicaid mandates without new flexibility.

However, when asked to review the President's proposal for a cap on the Federal share of Medicaid spending per beneficiary, CBO determined that the proposal did not contain a mandate as defined by UMRA, the Unfunded Mandates Reform Act. According to CBO, this was because States currently have the flexibility to amend their own financial and programmatic responsibilities by reducing some optional services or by choosing not to serve some local optional beneficiaries.

This interpretation is at odds with congressional intent. In passing UMRA, Congress intended that the flexibility required under clause (ii) be new flexibility, concomitant with the mandate-imposing legislation, for States to amend their responsibilities to provide "required services", not optional services. However, because the Unfunded Mandates Reform Act, as passed, does not say new flexibility specifically, CBO believes its interpretation is consistent with the law as written.

My amendment is supported by Ohio Governor George Voinovich, the National Governors' Association, the Council of State Governments, the National Conference of State Legislatures, the National Association of Counties, and the National League of Cities.

As a former chairman of the Fairfax County Board of Supervisors, I recognize the incredible burdens placed on States and localities by unfunded mandates, of which I just spoke during the general debate, and I would urge my colleagues to support this common sense amendment.

Mr. MORAN of Virginia. Mr. Chairman I move to strike the last word.

Mr. Chairman, in addition to having an opportunity to pass an amendment that I thought should have been passed back in January of 1995, that I had offered then, I think probably it helps in a Republican Congress to have a Republican offeree, and I trust that this bill will pass, although I suspect that there will be more opposition to it than is present here tonight.

This is also an opportunity to correct a technical problem that we have encountered with the Congressional Budget Office's scoring of State and local mandates. That is why I urge ev-

eryone to support the Davis-Moran amendment.

Mr. DAVIS of Virginia. Mr. Chairman, will the gentleman yield?

Mr. MORAN of Virginia. I yield to the gentleman from Virginia.

Mr. DAVIS of Virginia. Mr. Chairman, I think this has the best of all worlds, according to the gentleman from Virginia. This has the Moran intellect and the Davis name, and when we put the two together, from what I hear the gentleman saying, it is a "can't lose" amendment.

Mr. MORAN of Virginia. Reclaiming my time, Mr. Chairman, that was not exactly the point I was trying to make, but I am certainly willing to let that stand in the record if my friend and colleague wants to suggest that.

The gentleman from Virginia (Mr. DAVIS) is known not only by his name but by his intellect, and I am more than happy to join him in this amendment. I was actually referring in a more general way. I was not suggesting that the only way we could get our amendment passed was if it had the gentleman's name on it. The gentleman has worked very hard on this, but I will now amplify some of the points that the gentleman made.

The reason why the amendment is necessary is because the Congressional Budget Office determined that any new Federal mandates in the area of entitlement programs are not subject to the Unfunded Mandates Reform Act's point of order procedure if there is sufficient flexibility in the affected entitlement program to offset the new State and local costs.

The best example of this is on June 10th, 1996, when CBO ruled that a point of order would not exist for a proposed cap on Federal Medicaid expenditures and any other mandatory Federal aid programs except food stamps. The effect of this interpretation is to exempt more than two-thirds of all granted aid. In other words, all the mandatory entitlement programs from coverage under the Unfunded Mandates Reform Act.

What may appear to be an optional Federal mandate program from CBO's perspective, such as, for example, expanded Medicaid coverage to pregnant women and children, is not an optional program from the State's perspective. I do not know of any State willing to reduce Medicaid coverage to pregnant women and children in order to help offset the cost of new Federal mandates.

Our amendment would correct this implementation problem by adding a few simple words to the Unfunded Mandates Reform Act to clarify that any cut or cap of safety net programs constitutes an intergovernmental mandate unless State and local governments are given new or additional flexibility and the authority to offset the cut or the cap.

This amendment has been endorsed by the five major State and local organizations. It ought to be supported. I

urge all my colleagues to support it, and, again, I am honored to be able to offer it in coordination with my friend and colleague, the gentleman from Virginia (Mr. DAVIS).

I will conclude at this point, Mr. Chairman, feeling as though I have given my cosponsor more than sufficient recognition.

Mr. DREIER. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment, as long as it does not lead the gentleman from Massachusetts (Mr. MOAKLEY) to come out in opposition of the amendment.

So I am going to proceed, and I will assure the gentleman from Virginia (Mr. MORAN) and the gentleman from Virginia (Mr. DAVIS) that I will withdraw my name and I will, in fact, not support the amendment if it in any way jeopardizes the support of the gentleman from Massachusetts (Mr. MOAKLEY).

Mr. MOAKLEY. Mr. Chairman, will the gentleman yield?

Mr. DREIER. I yield to the gentleman from Massachusetts.

Mr. MOAKLEY. Mr. Chairman, if the gentleman would just go a little further and remove the amendment that has his name on it, I would be very happy to support everything.

Mr. DAVIS of Virginia. Mr. Chairman, will the gentleman yield?

Mr. DREIER. I yield to the gentleman from Fairfax, Virginia.

Mr. DAVIS of Virginia. We could call it the Moran-Davis, Davis-Moran, Dreier-Moakley unity bipartisan amendment.

Mr. DREIER. Mr. Chairman, reclaiming my time, I thank my friends for their contribution. It seems to me that we have bipartisan agreement on the measure and I strongly support it.

The brief statement that I would like to provide here, Mr. Chairman, states that under section 421(5)(B) of the Congressional Budget Act, Federal entitlement programs such as Medicaid, child nutrition, and foster care are considered unfunded intergovernmental mandates if Congress imposes new conditions, places caps on funding, or cuts funding without giving the States the authority to adjust those changes. Although this was the clear intent of the Unfunded Mandates Reform Act, the Congressional Budget Office has used a different interpretation which undermines the act. Specifically, CBO contends that UNRA's language does not specify new authority and that States already have sufficient authority or options to adjust to any cut or cap to an entitlement program except for the food stamp program.

The Davis-Moran amendment clarifies that any funding cut or cap is considered a new mandate unless the States are given new or additional flexibility to adjust their programmatic or financial responsibilities in order to offset the additional mandate costs.

I believe it is a very important amendment, and I will clearly support

it and urge my colleagues to join in doing the same.

Mr. CONDIT. Chairman, I move to strike the last word to speak in favor of the amendment.

I want to rise and show my support for the amendment, and I would like to commend the gentleman from Virginia (Mr. DAVIS) and the gentleman from Virginia (Mr. MORAN) for being on their toes and being on guard for State government.

This is an amendment that is needed for the State governments, and I just commend them and congratulate them for doing this.

□ 2215

Mr. PORTMAN. Mr. Chairman, I move to strike the requisite number of words just briefly again to commend sponsors of this amendment.

We did work with the gentleman from Virginia (Mr. MORAN) last time around and were not able to do what really should have been done, it turned out. This is a needed technical correction really to the 1995 legislation, because it clarifies the intent of the original act to make it clear that State and local government could be given newer, expanded authority to meet their programmatic responsibilities if additional costs were imposed on them through entitlement reform.

So I want to thank the authors of the amendment and also echo what the gentleman from California (Mr. CONDIT) has said and issue my strong support.

Mr. DREIER. Mr. Chairman, will the gentleman yield?

Mr. PORTMAN. I yield to the gentleman from California.

Mr. DREIER. Mr. Chairman, I thank my friend for yielding.

I would just like to offer an addendum to the very thoughtful list of supporters that was provided by the gentleman from Virginia (Mr. DAVIS), and say that I suspect not many Members are aware of the fact that the International City-County Management Association, which is headed by Gary Gwinn, also strongly supports the Davis-Moran amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. DAVIS).

The amendment was agreed to.

Mr. DREIER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. PORTMAN) having assumed the chair, Mr. SESSIONS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3534) to improve congressional deliberation on proposed Federal private sector mandates, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. DREIER. Mr. Speaker, I ask unanimous consent that all Members

may have 5 legislative days within which to revise and extend their remarks and provide extraneous material on H.R. 3534.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. SESSIONS). Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FOX) is recognized for 5 minutes.

(Mr. FOX of Pennsylvania addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. MCINNIS) is recognized for 5 minutes.

(Mr. MCINNIS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mrs. CLAYTON) is recognized for 5 minutes.

(Mrs. CLAYTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

FREEDOM FROM RELIGIOUS PERSECUTION ACT OF 1998

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HOUGHTON) is recognized for 5 minutes.

Mr. HOUGHTON. Mr. Speaker, I would like to talk for a minute about a bill that we will be voting on tomorrow, and that is called the Freedom From Religious Persecution Act of 1998. The number is H.R. 2431.

This has gone through the Committee on International Relations. I was on that committee. I voted against it, and it has gone to the Committee on Ways and Means for a particular issue of a sequential referral.

I understand why people are concerned with persecution of individuals and various religions throughout this world, and many times it is out of a sense of compassion for these people. And yet at the same time, I think that there are ways of handling this which I do not think are being recognized here.

What this bill will do, and I know things have been changing rather rapidly in terms of the terminology, is, it will establish an Office of Religious Persecution Monitoring. Think of it, an Office of Religious Persecution

Monitoring in our government. And that man who is in charge of that office will then recommend, in his own infinite wisdom, to the Secretary of State whether persecution is taking place throughout the world.

There are various categories involved here. I will not go into the specifics, but the important thing is that if a country has been decided to be involved in religious persecution in any way, whether this is tribal or whether this is two religions, whether the country has no control over it whatsoever, that country will then have a denial of United States foreign assistance, it will be subject to various trade sanctions, denial of visas, prohibition of exports, U.S. support for multilateral bank assistance, and a whole variety of different things. I think that is the wrong way of going about it.

We all in our own way and our own sense have a feeling of religion inside us, and we do not want to see anybody persecute it. The question is, really, who are the beneficiaries of this? I have talked to members of the Russian Orthodox Church. I have talked to the people who are in charge of the religious expression of a variety of different sects in Sudan. I have been to India. I have been to Zimbabwe. I have talked really recently to the National Council of Churches.

And whether it was in the Middle East or whether it was somebody who represented 27 million Muslims in Indonesia, I asked the question, "Who wants this?" The letters that we see supporting this particular act all come out of New York or Washington. None come from abroad. "Who wants this?" And there was not a single affirmative answer in that whole group.

So what we were doing, therefore, was literally imposing sort of a post-colonial Western sense of what is right and what is wrong on the peoples of this world. And in many cases, the governments have absolutely no control over what the religious persecution is. I know this is true in terms of Sudan. I know it is true in terms of a variety of other countries. And by the United States imposing its will upon those countries, those areas, which they really know very little about, they are going to be hurting more people than they are going to be helping.

So the question is, who are the intended beneficiaries? Not many. Billy Graham does not think this is a good idea. The Dalai Lama does not think this is a good idea. The Council of Churches does not think this is a good idea. A variety of organizations, such as the American Farm Bureau, does not think it is a good idea.

Why are we doing this? I think we are doing this out of a sense of compassion, but misdirected compassion.

It is wrong for us to set ourselves up as the arbiter of what goes on in a country. As much as we have a feeling for this thing, we must be very, very careful not to superimpose our own standards on the rest of the world, particularly when it involves something so